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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

DOGM
MINERALS PROGRAM
FILE COPY

February 1, 1990

Mr. Gene Yoder
Umetco Minerals Corporation
P. O. Box 1029
Grand Junction, Colorado 81502

Dear Mr. Yoder:

Re: Surety Bond Form, Pandora Mine, M/037/012, San Juan County, Utah

We spoke over the phone on January 31, 1990, concerning amending the Bond form Umetco submitted to us in January of 1990 for the Pandora mine site. We have changed the front page of the form to include the names of the Bureau of Land Management and the U. S. Forest Service, as those entities to which the surety is to be bound over.

Again, this language is necessary to satisfy a new Memorandum of Understanding that was signed at the end of December, 1989. Please find enclosed, copies of the front page of the new form and the old form, changes highlighted. The rest of the form is the same.

The bond will be submitted to the Board of Oil, Gas and Mining this February 22, 1990 for approval, unless Umetco or Seaboard Surety Company prefers to route the form, again, through internal channels. If this is the case, we will postpone the approval date to March 22, 1990.

Sincerely,

Holland Shepherd
Reclamation Specialist/Permit Lead

jb
Enclosure
MN5/177

September 1989)
(Noncoal)Bond Number_____
Permit Number M/037/012
Mine Name Pandora

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DEPARTMENT OF NATURAL RESOURCES
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THE MINED LAND RECLAMATION ACT

BOND

The undersigned Umetco Minerals Corporation
as Principal, and Seaboard Surety Company
as Surety Company, hereby jointly and severally bind ourselves, our heirs,
administrators, executors, successors and assigns unto the State of Utah,
Division of Oil, Gas and Mining in the penal sum of Sixty-five Thousand Four
Hundred and 00/100-- dollars (\$ 65,400.00).

The Principal estimated in the Mining and Reclamation Plan filed with the
Division of Oil, Gas and Mining on the 9th day of March, 19 82,
that 15 acres of land will be disturbed by this mining operation
in the State of Utah. A description of the disturbed land is attached hereto
as Exhibit "A".

When the Division has determined that the Principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be
void; otherwise it shall remain in full force and effect until the reclamation
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the Surety Company.

This bond may be cancelled by the Surety Company after ninety (90) days
following receipt by the Division and the Principal of written notice of such
cancellation. The Surety Company's liability shall then, at the expiration of
said ninety (90) days, cease and terminate except that the Surety Company will
retain liability for any outstanding reclamation obligation of the Principal
existing prior to the termination of the Bond.

EXHIBIT B

MR FORM 6
Joint Agency Bonding Form

(January 1990)
(Noncoal)

Bond Number _____
Permit Number M/037/012
Mine Name Pandora

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THE MINED LAND RECLAMATION ACT

BOND

The undersigned UMETCO MINERALS CORPORATION
as Principal, and SEABORAD SURETY COMPANY
as Surety Company, hereby jointly and severally bind ourselves, our heirs,
administrators, executors, successors and assigns unto the State of Utah,
Division of Oil, Gas and Mining, and the U. S. FOREST SERVICE and the
BUREAU OF LAND MANAGEMENT in the penal sum
of SIXTY - FIVE THOUSAND, FOUR HUNDRED AND 00/100 dollars
(\$ 65,400).

The Principal estimated in the Mining and Reclamation Plan filed with the
Division of Oil, Gas and Mining on the 9th day of March, 19 82,
that 15 acres of land will be disturbed by this mining operation
in the State of Utah. A description of the disturbed land is attached hereto
as Exhibit "A".

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reclaimed the above-mentioned lands affected by mining in accordance with the
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is completed as outlined in the approved Mining and Reclamation Plan.

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piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
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retain liability for any outstanding reclamation obligation of the Principal
existing prior to the termination of the Bond.